



Department of Justice

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JUSTICE DEPARTMENT CONSENTS TO TERMINATION OF BRITISH TELECOM/MCI CONSENT DECREE

WASHINGTON, D.C. -- The Department of Justice today consented to the termination of a modified consent decree involving British Telecommunications plc and MCI Communications Corp.

The original decree, entered on September 29, 1994, was designed to address the competitive effects of British Telecom's acquisition of a 20 percent interest in MCI. The decree contained provisions aimed at preventing British Telecom from using its market power in the United Kingdom to discriminate in favor of MCI or in favor of a British Telecom/MCI joint venture, at the expense of competing carriers in the market for international telecommunications services between the United States and United Kingdom, and around the world.

The modified decree was entered by the U.S. District Court in Washington, D.C. on September 16, 1997, in response to British Telecom's plans to acquire the remaining 80 percent of MCI. The modified decree strengthened and enhanced some of the protections of the original decree, as well as revising its confidentiality provisions.

In late 1997 British Telecom and MCI terminated their agreement. British Telecom subsequently sold its interest in MCI to WorldCom, and MCI sold its interest in Concert Communications Corp., the British Telecom/MCI joint venture, to British Telecom. The parties therefore have no remaining financial interest in one another.

"Because BT and MCI no longer have an equity interest in one another, the protections afforded by the modified decree are not necessary to safeguard competition," explained Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division. "Continued compliance by the parties with this decree's reporting requirements would not benefit American consumers and would impose unnecessary costs on British Telecom and MCI ."

The joint motion of the defendants to terminate the modified decree, as well as the Department's supporting memorandum, will be published in the Federal Register. Any person may submit comments on the proposed decree termination to Donald J. Russell, Chief, Telecommunications Task Force, Antitrust Division, U.S. Department of Justice, 1401 H Street, N.W., Suite 8000, Washington, D.C. 20530.

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